

Company Registration No 01672832

The Eastern Leasing Company Limited

Directors' report and financial statements

For the year ended 31 March 2015

Registered Office
Vodafone House
The Connection
Newbury
Berkshire
RG14 2FN

THURSDAY



R4MWBO62

RM

24/12/2015

#20

COMPANIES HOUSE

Contents

	Page
Directors' report	1 to 2
Statement of Directors' responsibilities	3
Profit and loss account	4
Reconciliation of movements in shareholders' deficit	5
Balance sheet	6
Notes to the financial statements	7 to 13

Directors' report

The Directors present their annual report and the financial statements for the year ended 31 March 2015

Principal activities and review of developments

The principal activity of the Company is to act as an investment holding company

The Company has taken advantage of the exemption in the Companies Act 2006 to not present a Strategic Report

Business review

The loss for the year amounts to £8,358,000 (2014 £17,036,000) No change in the Company's activities is envisaged in the foreseeable future

Given the support of Vodafone Group Plc, the Directors consider that the Company has access to sufficient funding to meet its financial needs as they fall due for a period of not less than 12 months from the date of these financial statements Accordingly, the Directors have prepared the financial statements on a going concern basis, notwithstanding net liabilities of £50,682,000 (2014 £42,324,000)

Dividends

The Directors do not recommend the payment of a dividend (2014 £nil)

Directors of the Company

The Directors who held office during the year and up to the date of signing the financial statements were

P S Davis (resigned 1 September 2014)

A R Kinch (resigned 30 November 2014)

K Phillip (appointed 1 September 2014 and resigned 31 March 2015)

R Mullock (appointed 8 December 2014)

Vodafone Corporate Secretaries Limited (appointed 8 December 2014)

Directors' report
(continued)

All Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report

The Directors' report has been prepared in accordance with the special provisions in Part 15 of the Companies Act 2006 relating to small companies

The directors report was approved by the Board and signed on its behalf by



Vodafone Corporate Secretaries Limited, *Director for and on behalf of*
Director

Date *21/12/15*

W. CHIME.

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Profit and loss account

For the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Amounts provided against loans	3	<u>(31,998)</u>	<u>(38,967)</u>
Operating loss		(31,998)	(38,967)
Interest receivable and similar income	4	41,891	39,876
Interest payable and similar charges	5	<u>(11,967)</u>	<u>(11,394)</u>
Loss on ordinary activities before taxation		(2,074)	(10,485)
Taxation	6	<u>(6,284)</u>	<u>(6,551)</u>
Loss for the financial year		<u><u>(8,358)</u></u>	<u><u>(17,036)</u></u>

The results for the year are derived entirely from continuing operations

The company has no recognised gains or losses for the year other than the results above. Accordingly, no separate statement of total recognised gains and losses has been presented

Reconciliation of movements in shareholders' deficit

For the year ended 31 March 2015

	2015 £'000	2014 £'000
Loss attributable to the members of the company	<u>(8,358)</u>	<u>(17,036)</u>
Net reduction to shareholders' deficit	(8,358)	(17,036)
Opening shareholders' deficit at 1 April	<u>(42,324)</u>	<u>(25,288)</u>
Closing shareholders' deficit at 31 March	<u>(50,682)</u>	<u>(42,324)</u>

Balance sheet
as at 31 March 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Investments	7	<u>77,787</u>	<u>77,787</u>
Current assets			
Debtors	8	187,642	177,749
Creditors amounts falling due within one year	9	<u>(316,111)</u>	<u>(297,860)</u>
Net current liabilities		<u>(128,469)</u>	<u>(120,111)</u>
Net liabilities		<u>(50,682)</u>	<u>(42,324)</u>
Capital and reserves			
Called-up equity share capital	10	1	1
Share premium account	11	687,497	687,497
Profit and loss account	11	<u>(738,180)</u>	<u>(729,822)</u>
Total shareholders' deficit		<u>(50,682)</u>	<u>(42,324)</u>

For the year ending 31 March 2015 the company was entitled to exemption from audit under section s479A of the Companies Act 2006 relating to subsidiary companies

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for (a) ensuring the Company keeps accounting records which comply with section 386 of the Companies Act 2006, and (b) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 393 of that Act, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company

These financial statements were approved by the Board of Directors and authorised for issue on 21/12/15 and signed on its behalf by



R Mullock
Director

Notes to the financial statements

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements are prepared in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), and under the historical cost accounting rules

Given the support of Vodafone Group Plc, the Directors consider that the Company has access to sufficient funding to meet its financial needs as they fall due for a period of not less than 12 months from the date of these financial statements. Accordingly the Directors have prepared the financial statements on a going concern basis, notwithstanding net liabilities of £50,682,000 (2014 £42,324,000)

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Cash flow statement

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A consolidated cash flow statement is included in the financial statements of Vodafone Group Plc in which the Company is consolidated and which are publicly available from the address in note 13.

Fixed asset investments

Investments in subsidiaries are included in the balance sheet at historical cost less any impairments recognised. Impairment reviews are carried out whenever events or changes in circumstances indicate that the carrying amount of the subsidiary may not be fully recoverable. Impairments are determined by comparing the carrying value of the subsidiary to its recoverable amount, being the higher of the subsidiary's net realisable value and its value in use. Impairments are recognised in the profit and loss account. A reversal of an impairment occurs if the net assets of the investment increases in the following measurement period.

Notes to the financial statements

(continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those which are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Directors and Employees

The Directors did not receive any emoluments in respect of their services for this Company during the year (2014 £nil)

The Company had no employees during the year (2014 nil)

3 Amounts provided against loans

During the year the directors reviewed the recoverability of intercompany loans to determine if a provision is required. The carrying value of the intercompany receivable was compared to the recoverable amount. This exercise resulted in the increase in the provision by £31,998,000 (2014 £38,967,000) in the current year.

4 Interest receivable and similar income

	2015 £'000	2014 £'000
Interest receivable from group undertakings	<u>41,891</u>	<u>39,876</u>

Notes to the financial statements
(continued)

5 Interest payable and other similar charges

	2015	2014
	£'000	£'000
Interest on loans from group undertakings	<u>11,967</u>	<u>11,394</u>

6 Taxation

	2015	2014
	£'000	£'000
Tax charge on profit on ordinary activities		
UK Corporation Tax at 21% (2014 23%)	<u>6,284</u>	<u>6,551</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 21% (2014 23%) The actual tax charge for the current and previous year differs from the tax charge at the standard rate for the reasons set out in the following reconciliation

	2015	2014
	£'000	£'000
Loss on ordinary activities before taxation	<u>(2,074)</u>	<u>(10,485)</u>
Corporation tax at standard rate of 21% (2014 23%)	(436)	(2,412)
Factors affecting tax charge for the year		
Non-deductible items	<u>6,720</u>	<u>8,963</u>
Current tax for the year	<u>6,284</u>	<u>6,551</u>

Notes to the financial statements
(continued)

7 Fixed asset investments

	Subsidiary undertakings £'000
Cost	
At 1 April 2014 and 31 March 2015	2,539,976
Provision for impairment	
At 1 April 2014 and 31 March 2015	<u>(2,462,189)</u>
Net book value	
At 31 March 2015 and 31 March 2014	<u><u>77,787</u></u>

The Directors have carried out a review to determine whether there has been an impairment in the carrying values of its fixed asset investments in line with FRS 11 'Impairment of fixed assets and goodwill'. The carrying value of the investment in subsidiary was compared to the recoverable amount. The recoverable amount of the investment was deemed to be the net asset value of the subsidiary and its investments. A valuation based on net asset values was considered to be appropriate as the companies in the group are either dormant, holding or small trading companies. This exercise resulted in no impairment (2014 Nil).

Principal subsidiary undertakings

Details of subsidiary undertakings are given below

Subsidiary undertaking	Class	Ownership	Country of incorporation	Principal activities
Cable & Wireless Global Telecommunication Services Limited	Ordinary	100%	England and Wales	Transfer pricing management
Vodafone Enterprise Australia Pty Limited	Ordinary	100%	Australia	Telecommunication services
Cable & Wireless CIS Services Limited	Ordinary	100%	England	Telecommunications services
Cable & Wireless Global Business Services Limited	Ordinary	100%	England	Telecommunications services

Notes to the financial statements

(continued)

Cable & Wireless Global Holding Limited	Ordinary	100%	England	Telecommunication services
Cable & Wireless GN Limited	Ordinary	100%	Ireland	Dormant
Vodafone Enterprise Equipment Limited	Ordinary	100%	England	Telecommunication services
Vodafone Enterprise Global Businesses S à r l	Ordinary	100%	Luxembourg	Dormant
Vodafone Enterprise Global Limited	Ordinary	100%	Ireland	telecommunication services
Vodafone Enterprise Global Network Pte Ltd	Ordinary	100%	Singapore	Telecommunication services
Vodafone Enterprise Hong Kong Ltd	Ordinary	100%	Hong Kong	Telecommunication services
Vodafone Global Network Limited	Ordinary	100%	Ireland	Telecommunication services
Cable & Wireless CIS Svyaz LLC*	Ordinary	100%	Russian Federation	Telecommunication services
Cable and Wireless (India) Limited*	Ordinary	100%	England	Telecommunications services
Cable & Wireless Communications Technical Services (Shanghai) Co Ltd*	Ordinary	100%	China	Telecommunication services
Vodafone Enterprise Global Network HK Ltd*	Ordinary	100%	Hong Kong	Telecommunication services
Apollo Submarine Cable System Limited*	Ordinary	100%	England	Telecommunications services
Cable & Wireless Americas Systems, Inc *	Ordinary	100%	United States	Telecommunication services
Cable & Wireless Canada Inc*	Ordinary	100%	Canada	Telecommunication services
LLC Vodafone Enterprise Ukraine*	Ordinary	100%	Ukraine	telecommunication services

Notes to the financial statements

(continued)

Vodafone Global Ordinary 100% Slovakia Telecommunication
Network Limited - services
Slovakia Branch*

*Denotes indirect holding

8 Debtors

	2015	2014
	£'000	£'000
Amounts owed by group undertakings	<u>187,642</u>	<u>177,749</u>
	<u>187,642</u>	<u>177,749</u>

The amounts due from group undertakings bear interest ranges from LIBOR to LIBOR plus 3 50% (2014 LIBOR to LIBOR plus 3 50%) The loan and any interest accrued thereon are repayable in full upon 30 days written notice

9 Creditors

	2015	2014
	£'000	£'000
Amounts falling due within one year.		
Amounts owed to group undertakings	309,827	291,309
Group relief payable	<u>6,284</u>	<u>6,551</u>
	<u>316,111</u>	<u>297,860</u>

The amounts due to group undertakings bear interest of LIBOR plus 3 50% (2014 3 50%) The loans and any interest accrued thereon become repayable in full on the last day of each borrowing period or immediately upon demand by the lender

Notes to the financial statements
(continued)

10 Called-up share capital

Allotted, called-up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary share of £1 each	<u>1,002</u>	<u>1,002</u>	<u>1,002</u>	<u>1,002</u>

11 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 April 2014	687,497	(729,822)
Loss for the year	-	(8,358)
At 31 March 2015	<u>687,497</u>	<u>(738,180)</u>

12 Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose transactions with wholly owned entities that are part of the Vodafone Group Plc, as all of the Company's voting rights are controlled within the Group. There are no transactions with any other related parties.

13 Ultimate parent company and controlling party

The Company's immediate parent company is Cable & Wireless UK Holdings Limited, a company registered in England and Wales.

The Directors regard Vodafone Group Plc, a company registered in England and Wales, as the ultimate parent company and controlling party.

The smallest and largest group in which the results of the Company are consolidated is that of Vodafone Group Plc, the parent company. The consolidated financial statements of Vodafone Group Plc may be obtained from the Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN.